

# **AGRICULTURAL BUSINESS**

## **Curriculum Content Frameworks**

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# Curriculum Content Framework

## AGRICULTURAL BUSINESS

**Grade Levels: 10, 11, 12**

**Course Code: 491030**

**Prerequisites: None**

Course Description: This course provides students with a basis for making effective decisions, setting goals, assessing and solving problems, evaluating the management of resources, and gaining skills useful in everyday life. FFA and SAEs will be covered as well.

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# Unit 1: Introduction to Agricultural Business

## 5 Hours

Terminology: Agribusiness, capital, Career Development Event (CDE), collateral, cooperative, corporation, credit, demand, economics, entrepreneur, free enterprise system, goal, interest, market, partnership, Proficiency, profit, risk, sole proprietorship, Supervised Agriculture Experience (SAE), supply

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
1.1 Define terms		Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]
1.2 List types of business organizations	1.2.1 Visit or invite a speaker representing types of businesses	Foundation	Listening	Listens to follow directions [1.2.6]
			Writing	Organizes information into an appropriate format [1.6.10]
		Thinking	Seeing Things in the Minds Eye	Organizes and processes images—symbols, pictures, graphs, objects, etc. [4.6.2]
1.3 Describe legal requirements for the types of business organizations		Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
				Responds to listener feedback [1.5.10]
		Personal Management	Integrity/Honesty/Work Ethic	Follows established rules, regulations, and policies [3.2.5]
			Responsibility	Comprehends ideas and concepts related to legal responsibility of business owners [3.4.2]

<b>CAREER AND TECHNICAL SKILLS</b> What the Student Should Be Able to Do		<b>ACADEMIC AND WORKPLACE SKILLS</b> What the Instruction Should Reinforce		
<b>Knowledge</b>	<b>Application</b>	<b>Skill Group</b>	<b>Skill</b>	<b>Description</b>
1.4 Discuss FFA activities and opportunities that are associated with agricultural business	1.4.1 Participate in a Career Development Event	Foundation	Listening	Evaluates oral information/presentation [1.2.2]
	1.4.2 Conduct a Supervised Agriculture Experience program		Reading	Locates pertinent information in documents—such as manuals, graphs, and schedules—to perform tasks [1.3.18]
	1.4.3 Complete a Proficiency application		Speaking	Asks questions to obtain information [1.5.4]
	1.4.4 Complete an SAE grant application	Interpersonal	Cultural Diversity	Recognizes differences among team members [2.2.3]
			Leadership	Organizes group in planning and performing a specific task [2.4.9]

## Unit 2: Start-up 10 Hours

Terminology: Budget, business cycle, business plan, customer survey, debt, employee, exemption, expense, fixed costs, income, input, insurance, labor, license, lien, management, mortgage, output, permits, resource, seasonal labor, seasonal price trends, variable cost

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
2.1 Define terms		Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]
2.2 Identify sources of financing in agricultural business during the start-up of the business	2.2.1 Invite representatives from major agricultural financial institutions	Foundation  Thinking	Listening  Decision Making    Problem Solving	Listens to follow directions [1.2.6]  Demonstrates decision-making skills [4.2.4]  Evaluates information/data to make best decision [4.2.5]  Generates options/alternatives [4.2.6]  Devises and implements a plan of action to resolve problem [4.4.3]  Revises plan of action indicated by findings [4.4.9]

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
2.3 Identify major items needed in a financial plan	2.3.1 Create a theoretical business, using information such as projected income, projected expenses, and projected profit	Foundation	Arithmetic/Mathematics	Constructs graphs/charts/tables [1.1.16]  Uses basic numerical concepts in practical situations [1.1.32]
	2.3.2 Complete an agricultural lending agency youth loan application	Personal Management	Organizational Effectiveness  Responsibility	Applies knowledge to implement work-related system or practice [3.3.4]  Pays close attention to details [3.4.8]
2.4 Identify basic business goals	2.4.1 Develop short-term, intermediate, and long-term goals for your SAE	Personal Management	Organizational Effectiveness	Applies knowledge to implement work-related system or practice [3.3.4]
			Responsibility	Pays close attention to details [3.4.8]
2.5 Identify risks associated with starting an agricultural business	2.5.1 Interview an entrepreneur, and discuss seasonality, price trends, risk, and labor	Personal Management	Organizational Effectiveness	Applies knowledge to implement work-related system or practice [3.3.4]
			Responsibility	Pays close attention to details [3.4.8]

## Unit 3: Determining Facilities Needed for Businesses

### 5 Hours

Terminology: Acre, deed, depreciation, easement, lease, legal description, personal property, real property, square foot

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
3.1 Define terms		Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]
3.2 Determine space needs for various agricultural businesses	3.2.1 Visit agricultural business and evaluate layout, lighting, space utilization	Foundation	Reading	Determines what information is needed [1.3.10]
				Distinguishes between fact and opinion [1.3.11]
				Draws conclusions from what is read [1.3.12]
		Thinking	Decision Making	Demonstrates decision-making skills [4.2.4]
			Problem Solving	Identifies pros and cons to assist in decision-making process [4.2.7]
				Demonstrates logical reasoning in reaching a conclusion [4.4.2]

<b>CAREER AND TECHNICAL SKILLS</b> What the Student Should Be Able to Do		<b>ACADEMIC AND WORKPLACE SKILLS</b> What the Instruction Should Reinforce		
<b>Knowledge</b>	<b>Application</b>	<b>Skill Group</b>	<b>Skill</b>	<b>Description</b>
3.3 Discuss the advantages and disadvantages of owning equipment and land	3.3.1 Invite an equipment salesperson to present the advantages and disadvantages of ownership versus renting equipment	Foundation	Reading	Evaluates written information for accuracy, appropriateness, and style [1.3.14]  Locates pertinent information in documents—such as manuals, graphs, and schedules—to perform tasks [1.3.18]
		Thinking	Decision Making	Considers risks when making a decision [4.2.3]  Evaluates information/data to make best decision [4.2.5]
			Knowing how to Learn	Applies new knowledge and skills to assist in comparisons [4.3.1]



## Unit 4: Managing the Legal Aspects and Tax Responsibilities of a Business Venture

### 5 Hours

Terminology: Accountant, appraisal, attractive nuisance, bankruptcy, breach of contract, capital gains tax, charter, contract, duty, estate, estate tax, executor, Federal Income Contribution Act (FICA), gift tax, income tax, legal counsel, liability, negligence, property tax, quit claim, tariff, tax, tort liability, trespass, trust, warranty deed, will

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
4.1 Define terms		Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]
4.2 Explain common legal requirements for a beginning business	4.2.1 Study local ordinances that affect businesses	Foundation	Reading	Comprehends written information for main ideas [1.3.7]  Determines what information is needed [1.3.10]  Draws conclusions from what is read [1.3.12]
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
		Thinking	Decision Making	Evaluates information/data to make best decision [4.2.5]

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
4.3 Discuss situations in which the counsel of a lawyer would be wise	4.3.1 Invite a lawyer to discuss legal aspects of agricultural businesses	Foundation	Arithmetic/Mathematics	Enters figures/calculations from one form or chart to another [1.1.21]
			Listening	Evaluates oral information/presentation [1.2.2]
		Personal Management	Responsibility	Comprehends ideas and concepts related to tax responsibilities of entrepreneurs [3.4.2]
		Thinking	Knowing how to Learn	Locates appropriate learning resources to acquire or improve knowledge and skills [4.3.3]
4.4 Identify the kinds of taxes that apply to an entrepreneur	4.4.1 Interview a tax preparer to learn how business taxes are different from individual returns	Foundation	Speaking	Responds to listener feedback [1.5.10]
				Uses proper voice inflection [1.5.13]
			Writing	Adapts notes to proper form [1.6.1]
		Thinking		Considers risks when making a decision [4.2.3]
			Decision Making	Identifies pros and cons to assist in decision-making process [4.2.7]

<b>CAREER AND TECHNICAL SKILLS</b> What the Student Should Be Able to Do		<b>ACADEMIC AND WORKPLACE SKILLS</b> What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
4.5 Discuss the advantages and disadvantages of having a professional accountant handle the financial end of your business	4.5.1 Invite an accountant to speak to the class to discuss business accounting requirements	Foundation	Reading	Comprehends written information for main ideas [1.3.7]  Draws conclusions from what is read [1.3.12]
			Speaking	Participates in conversation, discussion, and group presentations [1.5.8]

## Unit 5: Record Keeping and Analysis

### 15 Hours

**Terminology:** Accrual accounting, amortized loan, asset, cash accounting, cash-flow projection, cash-flow summary, current asset, current liability, enterprise budget, income, liquidity, margin, net-worth statement, noncurrent asset, noncurrent liability, owner equity, partial budget, principal, profit-and-loss statement, ratio, receipt, salvage value, solvency, spreadsheet, straight-line depreciation, transaction, whole-farm analysis

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
5.1 Define terms		Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]
5.2 Identify the components of a balance sheet and the criteria used for analysis of a business	5.2.1 Construct a balance sheet, and calculate ratios	Foundation	Arithmetic/Mathematics	Adds and subtracts to prepare a profit and loss statement [1.1.42]
		Thinking	Knowing how to Learn	Processes new information as related to workplace [4.3.5]
5.3 Identify the components of an income statement	5.3.1 Determine profit, using income statement	Foundation	Listening	Comprehends ideas and concepts related to the single-entry system [1.2.1]
			Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]  Speaks in a clear, concise manner [1.5.12]

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
5.4 Identify the components of a cash-flow statement	5.4.1 Construct a cash-flow summary	Foundation	Writing	Composes and creates documents—letters, manuals, reports, proposals, graphs, flow charts, etc. [1.6.8]
	5.4.2 Construct a cash-flow projection	Personal Management	Organizational Effectiveness	Organizes information into an appropriate format [1.6.10]
			Responsibility	Applies knowledge to implement work-related system or practice [3.3.4]
				Maintains a high level of concentration in completion of a task [3.4.7]
5.5 Identify common loan repayment methods or options	5.5.1 Calculate interest owed on a loan	Foundation	Reading	Uses appropriate materials and techniques as specified [1.3.20]
		Thinking	Creative Thinking	Uses graphs/charts/tables to obtain factual information [1.3.21]
				Combines ideas or information in a new way [4.1.2]
				Makes connections between seemingly unrelated ideas [4.1.6]
			Knowing how to Learn	Processes new information as related to the workplace [4.3.5]

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
5.6 List uses for an enterprise budget	5.6.1 Construct an enterprise budget, and determine break-even points	Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]  Follows written directions [1.3.13]
		Thinking	Knowing how to Learn	Processes new information as related to the workplace [4.3.5]

## Unit 6: Marketing and Pricing of Products and/or Services

### 10 Hours

Terminology: Advertising, barter, broker, cash market, check-off program, consumer, cooperative marketing, direct marketing, forward contracting, futures market, hedging, inventory, leader-follower pricing, marketing, monopoly, oligopoly, per-capita consumption, perfect competition, producer, promotion, retail, speculating, value-added project, wholesale

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
6.1 Define terms		Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]
6.2 Discuss input cost of a product	6.2.1 Calculate the break-even cost of producing a product	Foundation	Arithmetic/Mathematics	Constructs graphs/charts/tables [1.1.16]
	6.2.2 Calculate the selling price based on a 20 percent markup	Thinking	Creative Thinking	Creates tables, graphs, diagrams and charts to convey quantitative mathematical problems [1.1.36]
			Problem Solving	Makes connections between seemingly unrelated ideas [4.1.6]
				Draws conclusions from observations, evaluates conditions, and gives possible solutions [4.4.5]

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
6.3 Explain the law of supply and demand and how it affects prices	6.3.1 Calculate equilibrium price when given a supply-and-demand equation	Foundation	Arithmetic/ Mathematics	Applies computation skills to business problems [1.1.5]
		Thinking	Creative Thinking	Combines ideas or information in a new way [4.1.2]
			Reasoning	Sees relationship between two or more ideas, objects, or situations [4.5.5]  Uses logic to draw conclusions from available information [4.5.6]
6.4 Discuss seasonal price trends	6.4.1 Use the Internet to identify yearly fluctuations in prices	Foundation	Arithmetic/ Mathematics	Comprehends the role of chance in the occurrence and prediction of events [1.1.12]
		Interpersonal	Reading	Comprehends written information and applies it to a task [1.3.8]  Draws conclusions from what is read [1.3.12]
			Customer Service	Works with customers to satisfy their expectations [2.3.9]



## Unit 7: Personnel Management

### 5 Hours

Terminology: Benefits, compromise, confidential, conflict resolution, discrimination, Equal Employment Opportunity Commission (EEOC), feedback, interview, morale, Occupational Safety Health Administration (OSHA), personnel, policy, probationary period, unemployment, workers' compensation

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
7.1 Define terms		Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]
7.2 Discuss major concerns when hiring new employees	7.2.1 View videos dealing with the hiring process	Foundation	Speaking	Participates in conversation, discussion, and group presentations [1.5.8]
	7.2.2 Conduct a mock job interview	Interpersonal	Cultural Diversity	Comprehends ideas and concepts related to cultural diversity in the workplace [2.2.1]
	7.2.3 Invite a personnel manager from a local business to discuss employability skills and regulations relating to hiring new employees		Teamwork	Recognizes differences among team members [2.2.3]  Comprehends ideas and concepts related to hiring workers [2.6.1]

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
7.3 Identify potential problems that could arise with employees	7.3.1 Compare and contrast employee conflict resolution strategies	Foundation	Listening	Listens for emotional meaning [1.2.5]  Receives and interprets verbal messages [1.2.8]
		Interpersonal	Teamwork	Recognizes effects of positive/negative attitudes on co-workers [2.6.4]
		Personal Management	Organizational Effectiveness	Identifies characteristics desired by organization [3.3.6]
7.4 Explain financial issues—such as Social Security, taxes, health insurance, and other concerns—that must be addressed when hiring employees	7.4.1 Listen to a guest speaker who works with financial issues as he/she discusses how these matters are handled	Foundation	Speaking	Interprets nonverbal cues—such as eye contact, posture, and gestures—for meaning [1.5.6]  Uses verbal language and other cues, such as body language, appropriate in style, tone, and level of complexity to the audience and the occasion [1.5.14]
		Interpersonal	Negotiation	Assists in reaching a settlement/conclusion through compromise [2.5.1]

## Unit 8: Ethical Issues in Business

### 5 Hours

Terminology: Audit, collusion, ethics, harassment, morals, price gouging, privilege, right

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
8.1 Define terms		Foundation	Reading	Applies/Understands technical words that pertain to subject [1.3.6]
8.2 Explain business ethics	8.2.1 Identify businesses with reputations for having high ethical standards	Foundation	Reading	Applies information and concepts derived from printed materials [1.3.3]  Draws conclusions from what is read [1.3.12]
		Interpersonal	Teamwork	Comprehends ideas and concepts related to human relations [2.6.1]  Demonstrates understanding, friendliness, adaptability, empathy, and politeness in new and ongoing group settings [2.6.3]  Recognizes effects of positive/negative attitudes on co-workers [2.6.4]

CAREER AND TECHNICAL SKILLS What the Student Should Be Able to Do		ACADEMIC AND WORKPLACE SKILLS What the Instruction Should Reinforce		
Knowledge	Application	Skill Group	Skill	Description
8.3 Discuss the entrepreneur's responsibility to the community in which he/she is located	8.3.1 Conduct a survey to determine how local businesses are involved in the community	Foundation	Speaking	Communicates a thought, idea, or fact in spoken form [1.5.5]
	8.3.2 Identify ways an FFA chapter may improve the community			Speaks effectively, using appropriate eye contact, gestures, and posture [1.5.11]
	8.3.3 Implement an FFA community service project	Interpersonal	Cultural Diversity	Works effectively with men and women from diverse backgrounds—ethnic, social, educational, etc. [2.2.5]
		Personal Management	Responsibility	Accepts responsibility for position [3.4.1]  Comprehends ideas and concepts related to community service [3.4.2]

# Glossary

## Unit 1: Introduction to Agricultural Business

1. Agribusiness – all economic activities involved in the production, marketing, and distributing of any agricultural commodity
2. Capital – goods used to produce other goods and services; the investment the owner has in the business
3. Career Development Event (CDE) – an activity sponsored by the FFA offering members opportunity to display competencies gained in agriculture education classes
4. Collateral – assets that are pledged or mortgaged to secure repayment of a loan
5. Cooperative – a not-for-profit business designed to provide goods or services to patrons of the business
6. Corporation – a business, considered a legal entity, owned by stockholders who own shares of stock in the corporation
7. Credit – to purchase a product on the basis of paying at a later date
8. Demand – the amount of a product desired by consumers
9. Economics – a study of the methods of producing, marketing, and consuming a commodity and managing those factors
10. Entrepreneur – a person who organizes a business, assumes all risks, and accepts all profits
11. Free enterprise system – an economic system in which all economic decisions are made by the individual and prices are the result of market forces
12. Goal – an aim or objective to be reached by the entrepreneur
13. Interest – the cost of borrowed money; may be single or compound
14. Market – the area where commodities are offered for sale to consumers; where supply and demand interact
15. Partnership – a business type owned by two or more individuals
16. Proficiency – recognition awarded by the FFA to individuals displaying competencies in a field, based on Supervised Agriculture Experience (SAE) records

17. Profit – when income exceeds expenses; market price exceeds total costs of production
18. Risk – an event that cannot be assigned a probability of occurrence
19. Sole proprietorship – a business owned by an individual
20. Supervised Agriculture Experience (SAE) – a program (production, experience, cooperative, or directed lab) operated by a FFA member
21. Supply – the amount of a good or service available to be purchased by consumers

## Unit 2: Start-up

1. Budget – a projection of expected income and expenses for a business enterprise
2. Business cycle – the changes in markets and prices occurring over a period of years
3. Business plan – a detailed list of business objectives used by the entrepreneur to organize an enterprise
4. Customer survey – contacting potential consumers to determine consumer preference and desires
5. Debt – a liability incurred by a business that is to be paid sometime in the future
6. Employee – a person employed by a business
7. Exemption – a legal release from what is otherwise required of an individual or business
8. Expense – a debt incurred by a business in the production of goods and services
9. Fixed costs – costs of business that do not vary according to levels of production
10. Income – money received by a business; also known as business receipts
11. Input – all items used in the production of a commodity
12. Insurance – to transfer risk for a price (premium)
13. Labor – all employees of a company other than management
14. License – a legal document procured by a business that grants legal right to operate the enterprise
15. Lien – a legal right to take possession of collateral by a lender in the event of nonpayment
16. Management – all decisions involved in the operation of a business
17. Mortgage – a legal attachment by a lender to the property of borrower
18. Output – units of production
19. Permits – legal procurements secured by a producer to operate a business

- 20. Resource – any materials or advantages to which an entrepreneur has access
- 21. Seasonal labor – workers hired for a temporary time by a business during peak business times
- 22. Seasonal price trends – variations in commodity prices due to market forces occurring within a year
- 23. Variable cost – cost of production that varies according to the level of production



## **Unit 3: Determining Facilities Needed for Business**

1. Acre – a measurement of land equal to 43,560 square feet
2. Deed – a legal document showing ownership to real property, legal description, and type of ownership
3. Depreciation – the decrease in the value of assets due to time, wear, or obsolescence
4. Easement – the right to cross property belonging to someone else
5. Lease – a legal contract allowing the use of machinery, land, facilities, and equipment for a specified period of time
6. Legal description – a statement of the exact location of property in a deed according to section, township, and range
7. Personal property – all property excluding land and buildings affixed to land; machinery, equipment, and inventory are examples
8. Real property – land and all building or improvements affixed to land
9. Square foot – measure of space equal to one foot by one foot

## **Unit 4: Managing the Legal Aspects and Tax Responsibilities of a Business Venture**

1. Accountant – a professional who specializes in record keeping
2. Appraisal – an estimation of the worth of equipment or property
3. Attractive nuisance – a dangerous condition that might attract someone on land, thereby subjecting him/her to the risk of that danger
4. Bankruptcy – a condition that exists when a business can no longer meet its financial obligations
5. Breach of contract – failure of either party to comply with the terms and agreements of a contract
6. Capital gains tax – a tax assessed on profits realized from the sale of a capital asset
7. Charter – a document describing the purpose, place of business, and other details of a corporation
8. Contract – an agreement between parties that outlines the obligations of each party
9. Duty – a tax on an exported product
10. Estate – all possessions that a person owns
11. Estate tax – a tax on the estate of a deceased person
12. Executor – a person in charge of caring for an estate
13. Federal Income Contribution Act (FICA) – a tax on employees and employers that is used to fund the Social Security system
14. Gift tax – a tax placed on the value of a gift
15. Income tax – a personal tax levied on annual income
16. Legal counsel – services provided by an attorney
17. Liability – the state of being legally responsible for an action that occurred
18. Negligence – failure to act with the prudence that a reasonable person would exercise under the same circumstances

19. Property tax – a tax levied against the value of the property
20. Quit claim – a deed that transfers the owner's interest to a buyer but does not guarantee that there are no other claims against the property
21. Tariff – a tax levied on imported products
22. Tax – a charge against a citizen's person or property or activity for the support of government
23. Tort liability – the responsibility that occurs when someone deliberately or through carelessness causes harm or loss to another person or another's property
24. Trespass – the entry to another's property without right or permission
25. Trust – something (as property) held by one party (the trustee) for the benefit of another (the beneficiary)
26. Warranty deed – a deed in which the grantor fully warrants good clear title to the property
27. Will – a legal document declaring a person's wishes regarding the disposal of his/her property when he/she dies

## Unit 5: Record Keeping and Analysis

1. Accrual accounting – a system of accounting that uses inventory adjustments and records sales and expenses as they occur
2. Amortized loan – a loan for which the loan amount plus interest owed is paid off in a series of regular equal payments
3. Asset – anything of monetary value that is owned by a person
4. Cash accounting – a method of accounting in which income and expense items are recorded and recognized when cash is received or disbursed
5. Cash-flow projection – a table showing the anticipated cash inflows and outflows of a business for a period of time
6. Cash-flow summary – a table that shows the history of cash inflows and outflows of a business for a period of time
7. Current asset – an asset that will be used or sold within one year
8. Current liability – a liability that will be paid within one year
9. Enterprise budget – a table that shows the revenues and expenses relating to a single commodity
10. Income – revenue generated by a business
11. Liquidity – ability to pay expenses as they become due
12. Margin – the difference between receipts and expenses; also referred to as profit
13. Net-worth statement – a financial statement listing the assets, liabilities, and owner equity of a business
14. Noncurrent asset – an asset that has a useful life greater than one year
15. Noncurrent liability – a liability that comes due more than one year into future
16. Owner equity – the value of all of a person's assets, including cash, minus all liabilities
17. Partial budget – a tool used to determine if changing from one enterprise to another enterprise is profitable
18. Principal – money borrowed on a loan
19. Profit-and-loss statement – also referred to as an income statement; shows the amount of money made by a business during a time

period

- 20. Ratio – numerical means of comparing one number to another
- 21. Receipt – document showing money that is received by the business
- 22. Salvage value – the value of an asset after its useful life
- 23. Solvency – state of the business in which total asset values are greater than total liability values
- 24. Spreadsheet – a screen-oriented interactive program enabling a user to lay out financial data on the screen of a computer
- 25. Straight-line depreciation - a method of calculating depreciation that assumes a piece of property will lose an equal amount of value each year
- 26. Transaction – an agreement between a buyer and a seller to exchange an asset for payment
- 27. Whole-farm analysis – collecting and evaluating data relating to all activities associated with the business

## **Unit 6: Marketing and Pricing of Products and/or Services**

1. Advertising – any form of nonpersonal communication about a product or service
2. Barter – trading something of value for something of value without the exchange of money
3. Broker – a middle person or intermediary in the marketing process
4. Cash market – where actual commodities are bought and sold
5. Check-off program – a program in which the seller contributes a small amount for each unit sold to a money pool to be used to purchase advertising for the specific commodity
6. Consumer – an individual or entity that uses products and services
7. Cooperative marketing – groups of producers joining together to market a commodity
8. Direct marketing – the business of attempting to sell goods and services directly to customers either through mail order or telephone sales rather than in a retail establishment
9. Forward contracting – a cash contract in which a seller agrees to deliver a specific cash commodity to a buyer sometime in the future; these are privately negotiated and are not standardized
10. Futures market – where traders buy and sell futures contracts
11. Hedging – buying or selling futures contracts to protect one's profit margin against a possible price change of a cash commodity that one plans to buy or sell
12. Inventory – a physical count of all assets in a business with their estimated worth
13. Leader-follower pricing – the price of a commodity is set by the major distributor in an area, and other businesses price their products accordingly
14. Marketing – providing the products and services that people want when and where they want them
15. Monopoly – noncompetition; occurs in the marketplace when one individual or organization controls the supply of a product or service
16. Oligopoly – a form of competition that is present today in which a few large companies can control the supply of a product

17. Per-capita consumption – amount of product consumed per person
18. Perfect competition – the condition in the marketplace in which there are many buyers and sellers who have no advantage over each other
19. Producer – an individual or entity that creates products and services that are used in some way to satisfy human desires
20. Promotion – efforts made to inform potential buyers and promote sales of a product
21. Retail – the sale of goods or articles individually or in small quantities directly to the consumer
22. Speculating – to buy or sell stocks, commodities, land, etc., hoping to take advantage of an expected rise or fall in price; also, to take part in any risky venture on the chance of making huge profits
23. Value-added product – a product that has been changed in some way from its original form into one that is of greater value, such as processed raw materials
24. Wholesale – the selling of goods in relatively large quantities and usually at lower prices than retail; especially selling to retailers for resale to consumers

## Unit 7: Personnel Management

1. Benefits – anything contributing to an improvement in condition; advantage; help payments made by an insurance company, public agency, welfare society, etc., as during sickness, retirement, unemployment, or death
2. Compromise – a settlement in which each side gives up some demands or makes concessions
3. Confidential – matters that are private and not for discussion with other people
4. Conflict resolution – the process of settling disputes among employees
5. Discrimination – a showing of partiality or prejudice in treatment; specifically, action or policies directed against the welfare of minority groups
6. Equal Employment Opportunity Commission (EEOC) – a federal agency that promotes fair treatment in the workplace
7. Feedback – in the communication process, the return channel from the receiver back to the sender that allows the assessment of the exchange of information
8. Interview – a meeting of people face to face, as for evaluating or questioning a job applicant
9. Morale – the overall attitude, level of confidence, and outlook of a group or an individual
10. Occupational Safety Health Administration (OSHA) – a federal agency with the mission of assuring that the safety and health of workers is protected by setting and enforcing standards in the workplace.
11. Personnel – persons employed in any work, enterprise, service, establishment, etc.
12. Policy – a principle, plan, or course of action as pursued by a government, organization, individual, etc.
13. Probationary period – a specific period of time for new employees to determine that their performance, ability, willingness, and dependability merit continuation of employment
14. Unemployment – the state of being unemployed
15. Workers' compensation – the compensation to an employee for injury or occupational disease suffered in connection with employment; paid under a government-supervised insurance system contributed to by employers



## Unit 8: Ethical Issues in Business

1. Audit – a formal, often periodic examination and checking of accounts or financial records to verify their correctness; a settlement or adjustment of accounts
2. Collusion – a secret agreement for fraudulent or illegal purpose
3. Ethics – principles of behavior that are morally the best thing to do
4. Harassment – to trouble, worry, or torment, as with cares, debts, repeated questions, etc.
5. Morals – relating to, dealing with, or capable of making the distinction between right and wrong in conduct; good or right in conduct or character
6. Price gouging – pricing above the market when no alternative retailer is available
7. Privilege – an option, as a put, call, etc., to buy or sell a stock
8. Right – the privilege given to a company's stockholders of buying additional stock or shares in a new issue of stock, usually at par or a price below the current market price